

HOUSE BILL 1199

R4

0lr2846
CF SB 907

By: **Delegate Malone**

Introduced and read first time: February 18, 2010

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Vehicles – Salvage – Standards and Requirements**

3 FOR the purpose of prohibiting a person from using certain costs to determine the cost
4 to repair a motor vehicle for highway operation under the motor vehicle salvage
5 program; providing that certain persons that acquire certain nonrepairable
6 motor vehicles may only sell the motor vehicles to certain other persons;
7 limiting the pool of motor vehicles in need of repair for which an insurance
8 company is required to provide certain notice to the Motor Vehicle
9 Administration under certain circumstances; and generally relating to
10 standards and requirements under the motor vehicle salvage program.

11 BY repealing and reenacting, with amendments,
12 Article – Transportation
13 Section 13–506 and 13–506.1
14 Annotated Code of Maryland
15 (2009 Replacement Volume and 2009 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article – Transportation**

19 13–506.

20 (a) (1) A salvage certificate shall be issued in accordance with the
21 provisions of this section.

22 (2) A salvage certificate issued under this section shall:

23 (i) Be issued in the name of the applicant; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (ii) Serve as an ownership document.

2 (a-1) For purposes of this section, a vehicle has not been acquired by an
3 insurance company if an owner retains possession of the vehicle upon settlement of a
4 claim concerning the vehicle by the insurance company in accordance with § 13-506.1
5 of this subtitle.

6 (b) The Administration shall issue a salvage certificate:

7 (1) To an insurance company or its authorized agent that:

8 (i) Is licensed to insure automobiles in this State;

9 (ii) Acquires a vehicle as the result of a claim settlement; and

10 (iii) Within 10 days after the date of settlement, applies for a
11 salvage certificate as provided in subsection (c) of this section;

12 (2) To an automotive dismantler and recycler that:

13 (i) Acquires a salvage vehicle from a source other than an
14 insurance company licensed to insure automobiles in this State;

15 (ii) Acquires a salvage vehicle by a means other than a transfer
16 of a salvage certificate; and

17 (iii) Applies for a salvage certificate as provided in subsection (d)
18 of this section; or

19 (3) To any other person who:

20 (i) Acquires or retains ownership of a vehicle that is salvage, as
21 defined in § 11-152 of this article;

22 (ii) Applies for a salvage certificate on a form provided by the
23 Administration; and

24 (iii) Pays a fee established by the Administration.

25 (c) (1) Except as provided in § 13-507(b)(5) of this subtitle, for each
26 vehicle that is acquired as a result of a claim settlement arising from an accident that
27 occurred in the State, an insurance company or its authorized agent shall apply:

28 (i) For a salvage certificate on a form provided by the
29 Administration for a vehicle titled in the State; or

30 (ii) Electronically for a salvage certificate for a vehicle titled in a
31 foreign jurisdiction.

1 (2) The application under paragraph (1) of this subsection shall be
2 accompanied by:

3 (i) The certificate of title of the vehicle;

4 (ii) A statement by the insurance company that:

5 1. The cost to repair the vehicle for highway operation is
6 greater than 75% of the fair market value of the vehicle prior to sustaining the
7 damage for which the claim was paid and the vehicle is repairable;

8 2. The cost to repair the vehicle for highway operation is
9 greater than 75% of the fair market value of the vehicle prior to sustaining the
10 damage for which the claim was paid and the damage to the vehicle is cosmetic only;

11 3. The vehicle is not rebuildable, will be used for parts
12 only, and is not to be retitled;

13 4. The vehicle has been stolen; or

14 5. The vehicle has sustained flood damage; and

15 (iii) A fee established by the Administration.

16 (3) Subject to the provisions of § 13-507(c)(2) of this subtitle, a salvage
17 certificate issued under this paragraph shall contain a conspicuous notation by the
18 Administration that describes which of the statements under paragraph (2)(ii) of this
19 subsection applies to the vehicle.

20 **(4) TO DETERMINE THE COST TO REPAIR A VEHICLE FOR**
21 **HIGHWAY OPERATION FOR PURPOSES OF PARAGRAPH (2)(II) OF THIS**
22 **SUBSECTION, A PERSON MAY NOT USE:**

23 **(I) THE COST OF TOWING, STORAGE, OR VEHICLE RENTAL;**
24 **OR**

25 **(II) THE COSTS ASSOCIATED WITH DAMAGE TO**
26 **AUDIOVISUAL, TELEPHONE, OR MAPPING EQUIPMENT, SAFETY RESTRAINTS, OR**
27 **UPHOLSTERY.**

28 **(5) AN INSURANCE COMPANY OR ITS AUTHORIZED AGENT THAT**
29 **ACQUIRES A VEHICLE FOR WHICH THE SALVAGE APPLICATION CONTAINS THE**
30 **STATEMENT UNDER PARAGRAPH (2)(II)3 OF THIS SUBSECTION THAT THE**
31 **VEHICLE IS NOT REPAIRABLE MAY ONLY SELL THE VEHICLE TO A LICENSED**
32 **AUTOMOTIVE DISMANTLER AND RECYCLER.**

1 (d) (1) An automotive dismantler and recycler may apply for a salvage
2 certificate on a form provided by the Administration.

3 (2) The application under paragraph (1) of this subsection shall be
4 accompanied by:

5 (i) The document through which ownership of the vehicle was
6 acquired; and

7 (ii) A fee established by the Administration.

8 (e) The Administration shall maintain records to indicate that a vehicle:

9 (1) Was transferred as salvage; and

10 (2) May not be titled or registered for operation in this State except in
11 accordance with § 13–506.1 and § 13–507 of this subtitle.

12 (f) The Administration shall establish a fee for:

13 (1) A duplicate salvage certificate; and

14 (2) A corrected salvage certificate.

15 13–506.1.

16 (a) An insurance company shall promptly notify the Administration if:

17 (1) The company makes a claim settlement on a vehicle that is
18 [salvage]:

19 (I) **SALVAGE;**

20 (II) **YOUNGER THAN 7 MODEL YEARS OLD; AND**

21 (III) **HAS AN ODOMETER READING OF LESS THAN 60,000**
22 **MILES;** and

23 (2) The owner retains possession of the vehicle.

24 (b) The notice under subsection (a) of this section shall:

25 (1) Be accompanied by the title to the vehicle and a fee established by
26 the Administration under § 13–117 of this title for a corrected title;

1 (2) Include the name of the vehicle's owner and a description of the
2 vehicle; and

3 (3) Include a statement by the insurance company that the salvage
4 certificate bears a notation under § 13-506(c)(2)(ii)1, 2, 3, 4, or 5 of this subtitle.

5 (c) On receipt of the notice under subsection (a) of this section, the
6 Administration shall:

7 (1) Record that the vehicle has been declared salvage; and

8 (2) (i) In the case of a repairable vehicle described in §
9 13-506(c)(2)(ii)1, 2, or 5 of this subtitle, send a notice to the owner of the vehicle that
10 the vehicle registration will be suspended unless the owner submits proof satisfactory
11 to the Administration that the vehicle has been inspected for safety, in compliance
12 with Title 23 of this article, within 90 days of the date of the notice; or

13 (ii) In the case of a vehicle described in § 13-506(c)(2)(ii)3 of this
14 subtitle:

15 1. Issue a salvage certificate to the owner of the vehicle;
16 and

17 2. Send a notice to the owner of the vehicle that the
18 vehicle registration has been suspended and directing that the vehicle's registration
19 plates be returned immediately to the Administration.

20 (d) In accordance with § 13-507 of this subtitle, after a vehicle described in §
21 13-506(c)(2)(ii)1, 2, or 5 of this subtitle has been inspected for safety in accordance
22 with Title 23 of this article, the Administration shall issue to the owner a new
23 certificate of title for the vehicle.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
25 October 1, 2010.